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C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 001778

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SUBJECT: FUKUDA ATTEMPTS DAMAGE CONTROL AS PRESS CRITICIZE

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Classified By: DCM Joe Donovan, reasons 1.4(b),(d).

(C) Summary: Public statements from senior Japanese officials to the decision to delist the DPRK as a state sponsor of terrorism have been largely positive, tempering negative media editorial opinion. Prime Minister Fukuda and other senior officials have assured the public that Japan and the United States will continue to cooperate closely to resolve both the nuclear and abductions issues. One notable exception to the public spin was the wide coverage given to Chief Cabinet Secretary Machimura's telephone conversation with National Security Advisor Hadley, during which Machimura reportedly said that the Japanese people are "shocked" over the U.S. decision. Reaction from the Diet, especially within the ruling coalition was generally negative, with conservative members warning that delisting could weaken the foundation of the U.S.-Japan Alliance. Supporters of the Prime Minister say that Fukuda can weather criticism over the delisting issue. They warn, however, that a process that leaves North Korea with nuclear weapons could strengthen the hands of hard-line conservatives. End Summary.

Official Reaction Mostly Positive

- $\underline{\P}2$. (C) Initial statements by Prime Minister Yasuo Fukuda have aimed at assuring the public that continued close cooperation between the U.S. and Japan can lead to both denuclearization of the Korean Pensinsula and resolution of the abductions issue. At the same time, he has dismissed concerns that the U.S. decision to delist North Korea as a state sponsor of terrorism has deprived Japan of an important bargaining chip terrorism has deprived Japan or an important bargaining child in its own dealings with Pyongyang. Asked by reporters on the evening of June 26 if Japan has any leverage he responded: "That is not my way of seeing it." Foreign Minister Masahiko Koumura, in Kyoto for the G-8 Foreign Ministerial, praised the declaration as "good in itself," although he reminded reporters of the need to "verify the contents sufficiently." An unnamed senior Foreign Ministry official was quoted as saying: "We didn't want delisting, but if there is the impression that there is a fissure in the official was quoted as saying: "We didn't want delisting, but if there is the impression that there is a fissure in the Japan-U.S. alliance, that'll be playing right into the hand of North Korea.
- 13. (C) Junior ruling coalition partner Komeito's Chief Representative Akihiro Ota gave the declaration a "positive Representative Akihiro Ota gave the declaration a "positive Representative Akihiro Ota gave the declaration a "positive Representative Representa assessment," but echoed the Foreign Minister's call to verify the contents. In either event, he said, measures to resolve the abductions issue "must not waver," and any responses to the abductions issue "must be weighed carefully at any cost."

Machimura a Notable Exception

 $\P4$. (C) Chief Cabinet Secretary Nobutaka Machimura, rumored to be personally skeptical of the Prime Minister's North Korea policy, told the press initially that delisting was expected, and that Japan intended to continue to cooperate with the

United States to resolve the abductions issue. Press accounts gave wider coverage, however, to his June 26 telephone conversation with National Security Council Adviser Stephen Hadley, in which he reportedly said that "the Japanese people are greatly shocked." On June 27, he backtracked from the harsh rhetoric, saying that keeping the DPRK on the list "is not the only way to resolve" the abductions issue. "North Korea needs Japanese funds and technologies," he said, hinting that economic and energy assistance may replace sanctions such as delisting as Japan's chief negotiating card. He indicated that Japan will urge the United States to reverse the delisting decision if the declaration is deemed "insufficient," and said he hoped Japan could get the DPRK to move quickly in opening a reinvestigation into the abductions issue during the running of the 45-day delisting clock.

Ruling Party Rift Widens

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- 15. (C) Lawmakers from the ruling Liberal Democratic Party (LDP) continued to stake out their well-known positions on opposite sides of the issue (reftel). One press report quoted an unnamed LDP executive describing the United States Another quoted a similar source as saying the "selfish." United States has "excessively lowered the barrier." LDP Vice President Taku Yamasaki, founder of a supra-partisan parliamentary league promoting normalization of Japan-DPRK relations, called on Japan to accept delisting as "part of the process" of achieving denuclearization on the Korean Peninsula. Senior LDP Lower House member and Fukuda confidante Seishiro Eto discounted the political risk that Fukuda had assumed by staking out support for the United States on delisting, telling the Embassy on June 26 that Fukuda would undoubtedly "take a beating" for a week or two from the media, but would come out on top by mid-July. The key, said Eto, is to demonstrate that he has kept Japan from becoming isolated and has kick-started the bilateral normalization process. This will allow Fukuda to eventually outmaneuver former Prime Minister Shinzo Abe and the conservatives and leave them looking bereft of a workable
- 16. (C) Upper House member Ichita Yamamoto, leader of a much smaller conservative LDP group that favors a hard line on the abductions issue, lamented the move to delist, telling reporters it will "substantially weaken" Japan's bargaining power. Yamamoto told the Embassy on June 26 that he believes the United States had already paved the way in advance for delisting with the Fukuda administration, making it a done deal. He understands the U.S. position, but does not like what he sees as a diplomatic victory of the DPRK over Japan. Yamamoto's group, which includes Abe, is closely associated with a rival supra-partisan Diet league formed by independent lawmaker Takeo Hiranuma pushing for resolution of the abductions issue.
- 17. (C) The LDP's Yamasaki told the Embassy that key supporters of the Prime Minister are closing ranks to protect him from criticism within the party. Former Prime Minister and LDP heavyweight Yoshiro Mori sent a message via a press conference in Sweden to members of his powerful faction, including the Chief Cabinet Secretary, to support the Prime Minister. Mori pointed out that Abe and his allies were responsible for losing the last election and should exercise more "humility" in their public statements. Yamasaki said that given support from key LDP faction leaders, Fukuda's position within the party over the North Korea issue is secure. He warned, however, that if the current U.S. approach to North Korea results in a "half-baked" outcome like the Agreed Framework, it will hand hawks "like Abe" the ammunition they need to press for Japan's own nuclear arsenal.

Opposition Parties Run the Gamut

18. (C) Main opposition Democratic Party of Japan (DPJ) leader Ichiro Ozawa dismissed President Bush's assurances to Prime Minister Fukuda that he will not forget about the abduction issue, saying that the United States had once again failed to take Japan's thinking into consideration. Former Speaker of the Lower House and current People's New Party leader Tamisuke Watanuki joined his Upper House voting bloc partner in criticizing the decision to delist, saying that the unilateral move "cannot be accepted when there is no progress" on the abduction issue. He warned that delisting could "cause the very foundation of the bilateral security

alliance to split." Japan Communist Party (JCP) leader Kazuo Shii, on the other hand, welcomed the delisting, noting that resolution of the nuclear issue "can be a new condition to facilitate progress" on abductions.

Abductee Groups Express Frustration

 $\P 9$. (C) Family members of Japanese abductees accused their government of failing to take a firm stand and insist that

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the United States not delist. Abductee association Chair Shigeo Iizuka called the move "a backward step in resolving the issue," and said Japan had lost its greatest source of leverage. Iizuka's strongest criticism was directed at the Prime Minister. Implying that Fukuda had advance notice and ample opportunity to stop the U.S. decision, the group said they felt "betrayed." Sakie Yokota, mother of abductee Megumi Yokota, took a softer tone, acknowledging that "diplomacy is delicate," but calling the decision "regrettable." She too reserved her harshest words for her own government, asking "what kind of country is Japan" if it cannot help its own people. The group will jointly host a rally on July 7 in Tokyo with members of Hiranuma's Diet league. They plan to call on the government to resist making "easy concessions."

Media Mostly Negative; Spins Various Scenarios

- 110. (C) The editorial tone has been generally negative (septel), with several press items noting that Japan has "lost an effective card" for negotiating with the DPRK bilaterally with the decision to delist, and wondering to what extent Japan will be able to hold the DPRK to its recent commitment to reinvestigate the abductions issue. Opinions ranged from the left-of-center Asahi, which called delisting a "welcome decision," to the right-of-center Nikkei, which declared recent events a "crisis" for Japan and for the U.S.-Japan alliance. The more conservative dailies worried that delisting could hurt Fukuda politically. Some, however, conjectured that Fukuda's position is bolstered by the fact that the declaration will need to be verified, and that Pyyongyang will ultimately need to look to Japan for economic assistance.
- 111. (C) President Bush's remarks in Washington received prominent coverage, with most media outlets giving the United States credit for showing consideration to Japan, but questioning his motives for "rushing" into a deal. TheQrevailinQiew in the media has been that while the government opposed delisting, it was reluctant to get too out of step with the United States. Anonymous government sources are quoted to suggest that Japan was dragged into accepting the decision. All major dailies stressed the importance of verifying the declaration and continuing to cooperate with the United States. A few suggested that Japan push the United States to reverse the decision, in the event the DPRK fails to meet its obligations. Even those articles concede, however, that reneging on the decision to delist during the 45-day congressional notification period could stall the Six-Party Talks. SCHIEFFER